

**WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION**  
**Community Nutrition Programs**  
**Child and Adult Care Food Program**

**Guidance Memorandum 5A:** For Child and Adult Care Food Program Sponsoring Organizations

Topic: Sponsoring Organization Requirements for CACFP Monitoring, Training and Edit Checks

Date: October 2008

**MONITORING**

Child and Adult Care Food Program (CACFP) regulations [7 CFR Part 226.16(d)] require that: "Each sponsoring organization must provide adequate supervisory and operational personnel for the effective management and monitoring of the program at all facilities it sponsors." This includes:

**1. Pre-Operational Visits**

Your organization must visit sites that move to new locations and sites that are new to your organization's CACFP sponsorship prior to approving the site to begin CACFP operation, to ensure that the facility is adequate and to orient staff to CACFP meal requirement and reporting responsibilities. These sites must receive the first of their three required reviews per year within the first four weeks of CACFP operation, as described in Section 2 below.

Sites that have been closed for more than one month need a pre-operational visit prior to reopening to determine that such a facility is still properly equipped and has been adequately maintained. Training of new staff and reviewing CACFP requirements with continuing staff should also be completed at this time.

The Sponsoring Organization must document pre-operational visits. The attached form titled "Pre-Operational Visit" (pages 7 and 8) must be used unless an alternate form has been pre-approved by DPI.

**2. Reviews**

Sponsoring organizations must conduct reviews as part of the effective management and monitoring of the CACFP at all facilities they sponsor. Required review elements include

- a) An assessment of the facility's compliance with program requirements pertaining to
  - i) The meal pattern;
  - ii) Licensing or approval;
  - iii) Attendance at training;
  - iv) Meal counts;
  - v) Menu and meal records
- b) An assessment of whether the facility has corrected problems noted on the previous review(s). Written documentation of areas of non-compliance found on reviews must include a plan for corrective action and a deadline for completion. A summary of the action actually taken must be recorded by the sponsor on the next visit.
- c) A reconciliation of the facility's meal counts with enrollment and attendance records for a five-day period. This review must examine the meal counts recorded by the facility for the most recent five consecutive days during the current and/or prior claiming period. If the monitor determines that an earlier five consecutive day period is indicative of meal count inaccuracies, he/she may examine this earlier five-day period to conduct and document the reconciliation rather than the most recent five-day period.

For each day examined, use enrollment and/or attendance records to determine the number of participants in care during each meal service and attempt to reconcile those numbers to the numbers of breakfasts, lunches, suppers, and/or snacks recorded in the facility's meal counts for that day, to determine if the meal counts were accurate. If there is a discrepancy between the number of participants enrolled or in attendance on the day of review and prior meal counting patterns, make an attempt to reconcile the difference and determine if an overclaim is necessary.

#### HOW TO CONDUCT A 5 DAY RECONCILIATION

Sponsoring organizations must compare the most recent five consecutive days of the **aggregate (or total) daily meal count** for each meal type to attendance and enrollment records. The following describes the required process for conducting a five-day reconciliation during a review of a facility.

- i) Before conducting the actual reconciliation, the monitor must take two preliminary steps:
  - Evaluate the center's enrollment and attendance records, to ensure that they are current and accurate.
  - Compare the center's total meal counts to its licensed capacity. Meal counts for any day or any shift (if shift care is provided) should never exceed licensed capacity.
- ii) Then, the monitor should start by comparing the center's total enrollment to its recorded daily attendance, to ensure that the number of participants in attendance does not exceed the number of participants enrolled. If attendance does exceed enrollment, for any day or for any shift (if shift care is provided), the monitor must determine the source of the error (e.g., inaccurate attendance records, missing enrollment forms) before a five-day reconciliation can be completed.
- iii) Next, the monitor will compare the center's total attendance to its meal counts. The monitor will look at five consecutive days of aggregate meal counts for each approved meal type, to ensure that meal counts do not exceed the number of participants in attendance on any day (or for any shift if shift care is provided).
- iv) Finally, if meal counts and attendance cannot be reconciled, the regulations require the reviewer to "determine whether the establishment of an overclaim is necessary".

In all five-day reconciliations, meal counts must be compared to both enrollment and attendance records, whenever those records are available.

In addition, sponsors must take appropriate action when they encounter conduct or conditions that pose an imminent threat to the adult clients' health or safety, or to public health or safety.

The attached form titled "Sponsoring Organization Review" (pages 9-12) must be used unless an alternate form has been submitted and pre-approved by DPI. The Sponsoring Organization must maintain copies of reviews for three years after the end of the fiscal year to which the records pertain.

*Frequency and Type of Reviews* – A minimum of three reviews must be conducted each year at each site, except as described below for facilities that do not operate year-round and in the section titled *Averaging of Required Reviews*. The review year is considered to be the federal fiscal year, October 1 through September 30.

- At least two of the three reviews must be unannounced;
- At least one of the unannounced reviews must include the observation of a meal service with participants present;
- At least one review must be made during the first four weeks of CACFP operation in new facilities or facilities that have moved to a new location; and
- No more than six months may elapse between reviews.
- If any serious deficiencies are identified during a review, the next review of that site must be unannounced.

**Serious Deficiency** – Serious deficiencies include submission of false information on an application; submission of false claims for reimbursement; simultaneous participation under more than one sponsoring organization; non-compliance with the CACFP meal pattern; failure to keep required records; conduct or conditions that threaten the health or safety of an adult client(s) in care, or the public health or safety; a determination that the center has been convicted of any activity that occurred during the past seven years that lacked business integrity; failure to participate in training; or any other circumstance related to non-performance under the CACFP agreement.

If a facility does not operate year-round, the number of reviews can be prorated as indicated below. If a site operates one day in a given month, it is an operating month.

Months of Operation	Number of Reviews
1-4	1
5-8	2
9-12	3

*Averaging of Required Reviews* – If a sponsoring organization conducts two unannounced reviews of a facility and finds no serious deficiencies, the sponsoring organization may choose not to conduct a third review of the facility during that year, provided that the sponsoring organization conducts an average of three reviews of all of its facilities that year. This will allow sponsors to focus their review efforts on facilities that are more likely to commit errors, by conducting more reviews (at least 2 of which are unannounced) at these facilities. When the sponsor uses review averaging and a specific facility receives two reviews in one review year, its first review in the next review year must occur no more than nine months after the previous review. Sponsors may not review a sponsored facility fewer than three times per year if the facility has submitted a block claim during the year. A block claim is defined as a claim for reimbursement submitted by a facility on which the number of meals claimed for one or more meal types (breakfast, AM snack, lunch, PM snack, supper, or additional snack) is identical for 15 consecutive days within a claiming period.

*Review Action Required When a Block Claim is Detected* – If a block claim is detected when the sponsoring organization is performing edit checks on a facility's monthly meal counts, that facility must **not** be included among those receiving less than three reviews during the current year. A sponsoring organization must conduct an unannounced review of a facility within 60 days of receipt of a monthly meal count record from that facility which shows a block claim. If the sponsoring organization determines during this review that there is a logical explanation for the facility to regularly submit a block claim, the sponsor must note this in the review file and is not required to conduct an unannounced visit if other block claims for that meal type are detected at the facility during the current year. If the initial block claim was validated during the unannounced review and a logical explanation was established for similar block claiming patterns with other meal types, an unannounced review is not required when future block claiming patterns are detected in those other meal types, for the current federal fiscal year.

An unannounced review in response to the detection of a block claim can be counted by the sponsor as one of the three required yearly reviews if a comprehensive review is conducted that covers all the review elements listed in MONITORING, Section 2, parts a), b), and c) above.

If the conduct of all reviews required within 60 days resulting from the detection of block claims will impose unwarranted burdens on a sponsoring organization, the sponsor may request an additional 30 days to complete the required unannounced reviews. Send the request to the agency's assigned DPI consultant.

Under certain circumstances, this requirement can be met by evaluating and documenting the reason for a block claim prior to its submission to enable sponsoring organizations to provide effective oversight of Program integrity, while also promoting efficient use of sponsor resources.

Therefore, the sponsor will be exempt from conducting the follow up review, normally required to be conducted within 60 days of receiving the block claim, for the remainder of the current review year if the following two conditions exist: 1) a sponsor conducting an unannounced review of a facility observes a block claim in the facility's meal/menu records and 2) the sponsor is able to determine and document that a valid reason exists for the block claim.

It is important to note that this guidance applies only to situations where the sponsoring organization determines the cause of a block claim during an unannounced review conducted **prior** to the facility's first submission of a block claim during the current review year. If a sponsor receives a meal count/claim from a facility that includes a block claim, the cause of which has not been determined prior to its submission, the sponsor must conduct an unannounced review of the facility within 60 days of receipt of its meal count/claim. If a facility's block claim is determined to be valid late in the review year, the sponsor is exempt from conducting a block claim related unannounced review of that facility only until another block claim is detected on or after October 1 of that year.

"Valid reasons" or "logical explanations" for the existence of a block claim that would exempt the sponsor from conducting additional unannounced follow up reviews for the remainder of the review year might include

statements that “the facility provides drop-in care so that it is always filled to licensed capacity on each day it is opened,” or that “it is the center’s policy to accept participants even when they are ill.” However, statements that “participants are never sick” or “center has legitimate reasons” would not provide enough information to justify the occurrence of a block claim. As is the case when sponsor monitors document a legitimate reason for submission of a block claim identified by an edit check, the reasons for a block claim identified prior to the submission of a block claim must also be specific to the facility, and must be well-documented.

*Written Notification to Sponsored Sites* – Sponsoring organizations must provide each sponsored site with written notification of the right of the sponsoring organization, DPI, the USDA, and other State and Federal officials to make announced or unannounced reviews of Program activities during a site’s normal hours of operation. DPI recommends that the written notification include a description of the unannounced review requirements, as stated above. This notification also must inform sponsored sites that anyone making such reviews must show photo identification that demonstrates they are employees of one of the above entities.

The above policy on notification of unannounced reviews applies to all sites, even if the sponsored site(s) is the same legal entity as the sponsoring organization. The sponsoring organization must provide the unannounced reviews notification requirement to new centers prior to commencement of meal service under the CACFP.

### 3. Monitoring Staff (Sponsoring Organizations of 25 or more facilities)

As part of a sponsoring organization’s annual management plan, it must document that it will employ the equivalent of one full-time monitoring staff person for each 25 to 150 sites it sponsors. The monitoring staff equivalent may include the employee’s time spent on scheduling, travel and review time, follow-up activity, report writing, and activities related to the annual updating of participants’ enrollment forms. Our office has developed criteria to consider in determining whether a sponsoring organization has sufficient monitoring staff. Refer to PI-6070-A (rev. 5-05) and Department Memo dated April 15, 2003 (*Monitor Staffing Standards in the CACFP/State Agency Factor*) for additional information.

### TRAINING

Sponsoring organizations must provide training on CACFP duties and responsibilities to key staff from all sponsored facilities a) prior to the beginning of program operations, and b) not less frequently than annually thereafter. Each staff member with monitoring responsibilities must also receive training.

Key staff in sponsored facilities who must attend training is defined as any staff member with primary responsibility for the operation of the CACFP and/or maintenance of the records that support the monthly claim for reimbursement and compliance with any other CACFP requirement.

The training must include instruction, appropriate to the level of staff experience and duties, on CACFP meal patterns, meal counts, claims submission and review procedures, recordkeeping requirements, and reimbursement system. Documentation must be maintained that shows training session date(s) and location(s), topics presented, and names of participants. *Guidance Memorandum 9A* has a Sample Training Record that may be used to document this information.

### EDIT CHECKS

When submitting a Claim for Reimbursement, each institution certifies that the claim is correct and that records are available to support that claim. Regulations require that sponsors ensure that a facility never claims more meals at any meal service than its licensed or authorized capacity. Prior to submitting its consolidated monthly claim, each sponsoring organization must also perform three specific edit checks on each facility’s meal claim. Edit checks are methods of comparing the information that appears on a claim for reimbursement with other information (e.g., enrollment, approved meal types) about the claiming facility’s normal operations in order to help determine the claim’s validity. An edit check by itself may identify erroneous claims, but more often will identify claiming patterns that serve as an indication of a possible error to those reviewing the claim. These indicators should lead a reviewer to make a closer examination of the facility’s claims to determine if the claims are accurate.

At a minimum, the sponsoring organization’s edit checks must

- (1) Verify that each facility has been approved to serve the types of meals claimed;
- (2) Verify that the number of meals claimed by a facility does not exceed the number derived by multiplying approved meal types times days of operation times enrollment. If a facility submits a claim that exceeds that number, its claim must be subjected to more thorough review to determine if it is accurate; and
- (3) Detect block claiming by any facility. A block claim is defined as a claim for reimbursement submitted by a facility on which the number of meals claimed for one or more meal types (breakfast, AM snack, lunch, PM snack,

supper, or additional snack) is identical for 15 consecutive days within a claiming period. See the MONITORING section above for additional review requirements when block claims are detected.

See the next page for an example of how these three edit check requirements could be documented, and a sample calculation for the second edit check. Other methods of documentation are also acceptable, as long as they clearly indicate that all three required edit checks have been conducted for each sponsored center each month.

Prior DPI and USDA approval is needed if a sponsor wants to design an edit check system that does not use enrollment at all in the second edit check. Documentation must clearly show what specific edit check procedures are in place.